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Causality between Design Direction and Net Promoter Score: An opening how to govern design more analytically by combining excisting structures.

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Abstract – Business development is striving for more certainty by creating softwares to analyze trends and figures. Parallelly there also seems to be a trend to increase certainty in design by gathering more data. It is not only challenging, but also a paradigm shift. Being a concept of auteurship, design is driven by the creative process and by the human expression where solutions are attributed by the designer. From this point of view design is highly ambiguous. On the other hand, it has been proven that design solution and the impact of design is improved by developping more precise design briefs and by having more conscious design direction. This development is also structurally embedded in current design ROI discurse. Do design need its own initial data or could excisting business engines, such as Net Promoter Score, be utilized as design attribute tools?

Design Business Management / Design ROI / Design Analytics / Design Intelligence / Business Score Cards

1. BACKGROUND

Management by data is a rapidly growing management feature. Data and above all digital data, seems to be – or is given the position of being – in the steering role of industrial business management. Business intelligence is currently leaning with all its weight to web based trend analysis and visual dashboards. Monitored are for example sales figures such as order to cash flow, purchase to pay cycle, cash conversion cycle and inventory values to mention a few.

With above mentioned figures the sales management is able to harvest beneficial market information to adjust to following sales operations faster than with the traditional on-demand methods. On the contrary these sales related figures seem to be unable to release reasonable development data for another sales tool, for the immaterial brand development. Above listed sales development figures seem to leave a lot to interpretation, which explicitly increases uncertainty in design operations.

On the contrary Net Promoter Score *(later NPS)* being the customer loyalty metric seems to be able to generate more relevant experience related data also for immaterial brand development of excisting products and services. Here products and services are referred as those typical physical product and digital solutions, which can be experienced in physical and digital environments by their users.

This article is looking for new openings how to use web based consumer data in design development and in design decision-making. The main argument is that, if it is possible to measure expectations in product and service touch-points, it is possible to tune and adjust emotional features to those to meet the expectations more precisely. Will be not investigated, whether available software solutions prove the argument plausible. On the other hand, if the argument is plausible and a competitive advantage in design business praxis is found, the technology will follow.

2. THE TERMINOLOGY

2.1. Loyalty

Loyalty seems to be a multifaceted and a problematic concept. The nature of loyalty is persistency to subjects and abstract entities. Some evolutionary scientists, biologists and psychologists see loyalty as a genetically transmitted adaptive mechanism, a felt attachment to others that has survival value (Wilson, 1993, 23). This aspect underlines loyalty being a mechanism of belonging to a group and having a need to belong to a group. Furthermore this aspect argues that a group is loyal to matters that are valuable to it. On the other hand, this aspect seems implicitly to involve concepts such as the cause and the power dominance, the latter in a form of one individual being an opinion influencer to another.

If considered an individual being free, capable and willing for independent decisions, the role of the self arises. Furthermore concepts of liking, feeling and suitability seem to replace the need to please. Loyalty is primarily a certain perseverance, which keeps the individual committed to the matter even if the matter is disadvantageous.

In order to be or get committed to a matter an individual and even a group needs to have an experience of the matter. Without an experience the feeling of loyalty remains a desire to the fame and prestige of the matter, which on the other hand are actors of desirability – known as an output of brand development. Fair to say that loyalty towards matters is related to experience. Furthermore, even without the personal experience loyalty seems to remain a relative to desirability and therefore implicitly to the concept of brand.

There are arguments that deny loyalty being a virtue. It is argued that because loyalty can be badly placed and because, once formed, it requires us not merely to suspend our own judgment about its object but even to set aside good judgment its pretensions to the status of a virtue are undermined, for the virtues are as argued internally linked to some idea of good judgment (Ewin, 1992, 403, 411).

Although being a multifaceted and a problematic concept, loyalty enables an individual to present his/hers own rational and sentimental “likes” while similarly conditioning ones own authority.

2.2. Experience

In order to get an experience of a matter one need to perceive the matter. In this respect the matter need to be perceived by senses. Left concsiously and deliberately out of this definition are religious and spiritual experiences. In this respect when applied senses to visual experiences the clause claims that for as long as you see something in front of you, you believe that it is in front of you. In order to recognize one needs to identify the matter.

Identity connects the matter to the past experiences, which in return leads to the possibility to compare the past and the current experiences and their common relation.

Aside above explained direct experience is an indirect experience, which is executed by narration. The narrative is methodology close to a brand promise but may also be told by another individual, which relates experience to the concept of recommendation.

Former experiences and the level of loyalty result an expectation towards the following experience. On the other hand, individually gathered experience data may be biased by values and by attitudes but also by expectations. In this respect expectation is a preconception of the known and identified encounter to come.

The experience may be positive or negative, but more importantly the experience is always personal. Matters are experienced differently, due to our previous experiences of the same incident, due to our current attitudes and due to our values towards the cause. In this respect for the sender, broadcaster or generator of the production, artifact or appearance, the aim is to appeal the general majority with certain experience. Experience is therefore a somewhat loose concept of people encountering emotionally various phenomena – keyword being *emotionally*.

2.3. Expectation

Expectation is a belief of a quality of the matter and individual to encounter in reality. The expectation can be both individual and collective. The expectation may also be related to previous phenomena. Once there is a pattern for a phenomenon to occur, the belief and probability intensify. Finally the frequency of the occurred phenomena and the amount of phenomena can be calculated.

The probability of the quality of the matter varies due to the sender and due to the receiver. On the other hand the pattern of the probability creates predictability. In this respect phenomenon and its style becomes a self-fulfilling prophecy. The previous phenomena are scaled in order to form a reasonable and rational expectation standard. The range of the standard may though vary, which increases the inaccuracy.

Furthermore the emotional or sentimental attitudes and the role of the biased preconceptions affect to every encounter, which makes expectation an inaccurate concept.

2.4. Status of the ground concepts

Fair to say that loyalty, experience and expectation can be seen as concepts related to each other. Furthermore fair to say that all three are somewhat vague and multilayered concepts. In addition there is no universal scale, nor standard to measure the forcefulness of loyalty, experience or expectation, because the universal attribute of emotions is missing.

3. THE EXPANDED PURPOSE OF THE NET PROMOTER SCORE

Net Promoter is a metric derived from survey responses to a recommend likelihood question. Respondents who provide a rating of 9–10 are classified as "promoters"; respondents who provide a rating of 6 or lower are classified as "detractors." Net Promoter is calculated by subtracting the proportion of a firm's detractors from its proportion of promoters (Keiningham & al., 2007, 39).

Interestingly, NPS seems to be one of the current trends where there is willingness to invest on growth, although there seem no absolute support for the claim that it is a reliable indicator of a company's ability to grow. It seems that word of mouth is linked to growth, but on the other hand, measurement of customer satisfaction doesn't directly lead to growth.

NPS is already used for gauging customer loyalty in industries, and the amount of companies that use NPS seem to increase rapidly. It seems that business leaders have a strong need for viable figures, nevertheless acceptably inaccurate. At the same time NPS is getting generalized and standardized. The popularity of NPS is simultaneously building a standard by generalizing the methods. Ultimately the question is that, if NPS is creating standards, can it be used for more purposes.

The common NPS discourse argues, whether NPS is a growth tool or not. One of the promoting messages has been the 2003 Harvard Business Review article titled "The One Number You Need to Grow". The main message of the article is that measurement of customer satisfaction and customer retention does not help firms achieve growth. On the contrary, the article found, the word of mouth being the metric that is linked to growth.

The purpose is to review NPS as a data generator for brand loyalty by using NPS generated data in order to direct design to meet the customer expectations better (Fig 1).

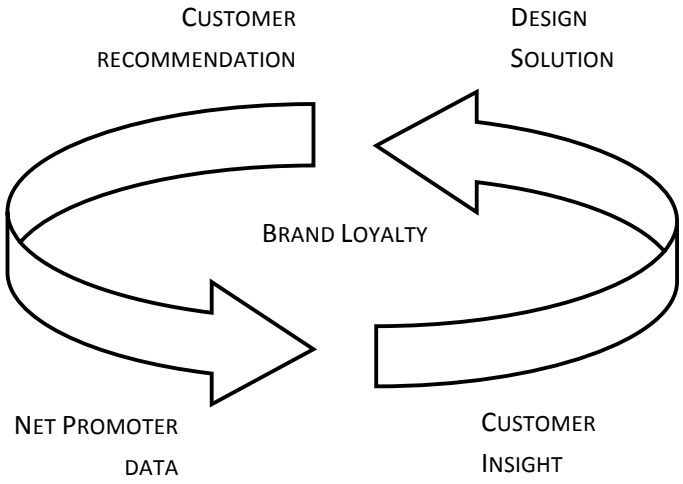

Figure 1: The fundamental idea is to review, whether Net Promoter related customer behavior measures could be used as a raw material in order to create more precise customer insight, to partly or entirely automate the creative brief, decrease or eliminate the element of supposition in the beginning of the creative process and enable to create rapidly and cost-efficiently fitting solutions that target better the customer expectations. In the figure 1 the NPS related process is on the left hand side and the creative brand development process is on the right hand side.

Furthermore it would beneficial to measure, whether the increased amount of analytics and consciousness in brand development process strengthens the brand loyalty and the emotional bond to the matter by enabling experiences that exceed the expectations (Fig 2).

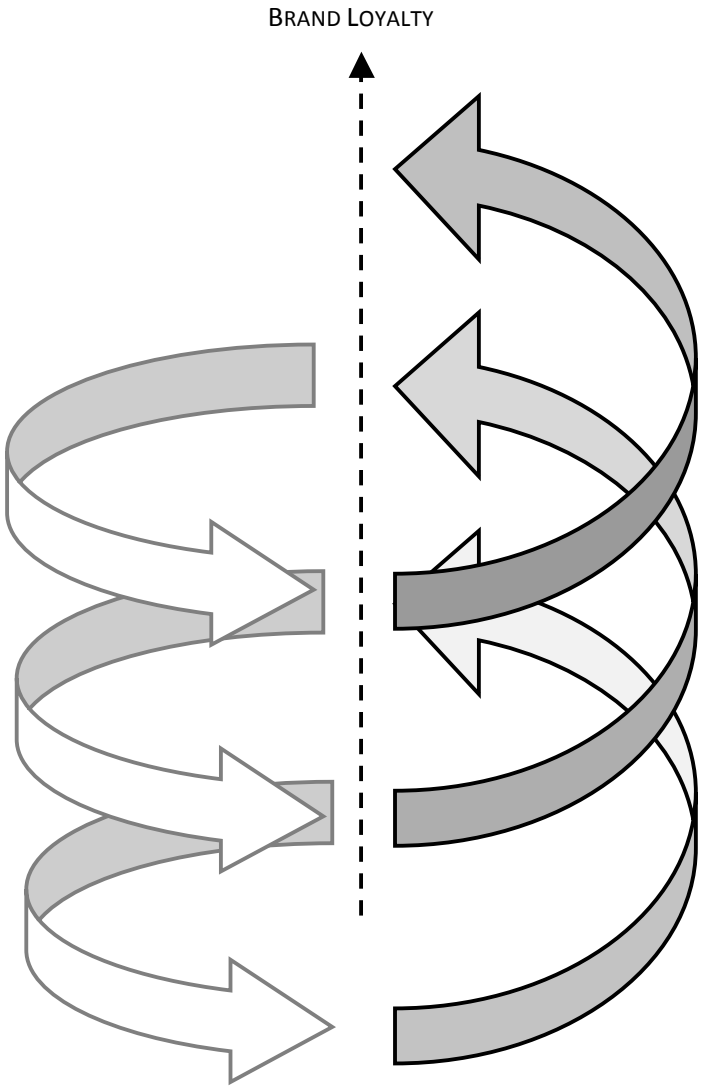

Figure 2: In theory the exceeded brand experience would explicitly affect to the brand loyalty by increasing the acceptance and the persistency between the individual and the matter.

4. DESIGN CREATING ECONOMIC VALUE

Finnish Design Business Association FDBA conducted a joint research program, Design ROI, in 2012 with an aim to research and develop a tool and methodology to measure economic impact of design. The research was managed together with Aalto University and Tekes – the Finnish Funding Agency for Technology and Innovation. Other marketing related topics and disciplines such as for example Knowledge Management seem to be focusing to the same interest, to kill the test-of-time with data.

One of the outcomes of Design ROI program is that there are plenty of reliable research findings, which indicate that the immediate design impact can be evaluated in advance.

It is commonly shared that the impact of design can be proven afterwards and that there are research findings, which result to give financial proof of it. For example, the turnover of design alert business grew by an average of GBP 225 per GBP 100 invested. Their share price performance was around 200 % higher than that of the general stock market index (British Design Council, 2007). Furthermore, the difference in productivity between companies that had invested in design and those who had not invested in design at all was over 50 % (Swedish Industrial Design Foundation, 2008). In addition the IDEA Award and investor expectations correlate in terms of the success of award-winning companies in the stock market. Within a five-ear period the share price of companies that had received the award exceeded that of companies in the S&P 500 index by an average of EUR 6.50 per year (Petersen, 2007).

For more than a decade have research centers and design councils been able to indicate and show the positive impact of design. For example Danish Design Center's finding that companies investing in design enjoyed 22 % higher turnover growth than non-investing companies, relates back to 2003. Interestingly the decade includes economical instability of the eras 2003, 2009 and the one on-going right now.

Did business development invest little in design, or couldn't design after all accelerate growth? Finnish industries claim they invested in design at that point of time. 53 % of companies invested in design in 2006 (Association for Finnish Work, 2012), though only 23 % continuously (Lindström et al., 2006).

The general obstacles to apply design in business development seem still to be rather strong and somewhat biased. 47 % of Finnish companies claim they do fine without design (Association for Finnish Work, 2012). Furthermore, 59 % of Finnish companies cannot see any benefit brought by design (Association for Finnish Work, 2012). It indicates that companies just cannot believe design being a growth tool. Seems that old preconseptions are deeply rooted in business. Why? If the companies do not speak design, how do designers speak business?

5. THE BUSINESS OF DESIGN

There seem to be a lack of proof to conjoint design to business analytically, and vice versa. Majority of the companies seem not to have capability to use design strategically. Seems on the other-hand that designers are incapable for making fiscal arguments for their value.

According to Robert Bau, simple and well-structured every-day problems get solved well. Simple and well-structured problems here are for example service offering development and regular branding issues. Secondly, the incapability seems to grow together with uncertainty, and when discussing about complex and open-ended problems. It is argued that designers and design teams fall into the touch-point design trap. It seems that very early in the creative process the designers focus their efforts in redesigning customer touch-points (Bau, 2011). Furthermore, it seems that designers move rapidly to realization i.e. to visualization phase. Bau's another findings among service design development were:

1) Designers lack the vocabulary to discuss and analyze services
2) Designers care too little about service operations
3) Designers do not know how to translate tentative solutions to value creation
4) Designers do not know how to frame strategic problems
5) Designers do not know how to identify business opportunities, and finally
6) Designers do not truly understand the strategic nature of services

There are rather two reasons for this. First, it may be so that designers think visually i.e. they need to encode difficult textual content and attributes to visual language very rapidly and early in the design process. On the other hand, it is possible that designers aren't tooled to speak business attributes.

If the reason is the first, designers and design teams, but also their clients should understand that the first sketches are not the solution, but made for understanding better difficult contents.

If the reason is the latter, the challenge is wider. If the latter, I turn my face to educational organizations, which seem still to put two disciplines under the same roof, the expression oriented arts and the solution oriented design. Academic art & design education can still be accomplished without a single business lesson. There seem to be a lack of strategic talent and lack of business capacity among designers.

Because of the current arrangement, many of the companies still see design as an unprofitable cost. If reviewed objectively, there seems to be a loss of common vocabulary. Luckily the increasing need of business control drives design towards more analytical fields.

Interestingly, creative solution oriented thinking combined with analytics result better aiming and more precise design investments. The opportunity of design analytics leads rapidly to auditing design resulting design business score cards and data, which indicates directly the key performance of design. This is where the NPS data meets design explicitly.

In the markets where products are based on similar technological platforms and sold in surroundings relatively similar there is a demand to differ than to invest in another technological feature. Seems strongly that feeling out-powers technological qualities, if the products compete in the same prize category. Furthermore, if planning to create added value, investment in brand creates faster growth than a new product component. It is proven that investing in immaterial results faster market dominance.

Why does design need to be evaluated? There is a growing need to measure business development and therefore also design in order to govern design better. The main target is to determine the quantitative and qualitative impacts of design. The current understanding of what is a design investment is poor. Companies seem to not have a firm grasp on the design ROI and how it impacts their business (Jaakko Aspara, Aalto University, 2012). Seldom companies have data of whether their design ROI altogether positive or negative?

What explains the lack of data? Firstly, immaterial assets and property are rather abstract subjects. Secondly, the immaterial values have been noticed, but there is little insight into on evaluation procedure. And thirdly, there is a prolonged vision of one universal standard.

6. CONCLUSION

There seem to be a connecting point for NPS and design. Furthermore the location can be shown and argumented. I advice strongly, both areas business intelligence and design business to look for tools, which help to deliver more precise design briefs and help to use design more strategically in companies, which already use design in business, but above all, in companies, which do not have traditions, belief nor experience of designs ability to create monetary value to business owners.

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